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C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 000805

SIPDIS

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SUBJECT: IN SENSATIONAL CASE, POLICE ARREST INDONESIA'S ANTI-CORRUPTION CHIEF

REF: JAKARTA 778

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Classified By: Pol/C Joseph L. Novak, reasons 1.4(b+d).

¶11. (C) SUMMARY: In a case netting sensational headlines in Indonesia, the suspended chair of Indonesia's Corruption Eradication Commission (KPK), Antasari Azhar, has been officially declared a suspect in the murder of an Indonesian businessman. Azhar is currently under detention. Contacts at the Police and the Attorney General's Office (AGO) suggest that the murder charges are only the beginning of a larger scandal. The KPK and anti-corruption activists have pledged that the unfolding scandal will not impact Indonesia's anti-corruption efforts. END SUMMARY.

MURDER CHARGES FILED

¶12. (SBU) The suspended head of Indonesia's anti-corruption commission is in serious trouble with the law. After extensive questioning on May 4, the Indonesian police officially declared Antasari Azhar a suspect in the March murder of Nasrudin Zulkarnaen, the former president of a state-owned pharmaceutical company. Initially, the police had summoned Azhar as a witness in the murder case (see reftel). After a day of questioning, however, the police publicly announced that they believed that Azhar was the mastermind behind Zulkarnaen's murder. If the case goes to trial, Azhar would be charged for premeditated murder under Article 340 of the Criminal Procedure Code, which carries the death penalty.

A LOVE TRIANGLE...INVOLVING THE CADDY?

¶13. (SBU) The case is netting sensational headlines in Indonesia. Initial press reports indicated that Azhar's motivation for murder was an alleged love triangle involving Antasari Azhar, Nasrudin Zulkarnaen and Zulkarnaen's unofficial third wife (aka mistress) Rani Juliani, a golf caddy. Boyamin Saiman, an attorney for the Nasrudin family, acknowledged that photos of Rani Juliani and Antasari Azhar were submitted to the police, but would not comment on any of the rumored scenarios for Azhar's motivation. In one report, Nasrudin allegedly threatened to take the affair public out of jealousy. In another version, Nasrudin tricked Antasari into sleeping with Juliani, obtained photos of the affair, and then used the photos to extort money from Antasari.

A MORE SINISTER MOTIVE?

¶4. (C) The former KPK head may be involved in a larger corruption scandal. Contacts at the AGO have told Emboffs that Azhar has allegedly collected bribes in his position with the KPK. In exchange for the bribes, Azhar allegedly quashed corruption-related cases. Deputy Attorney General for Special Crimes Marwan Effendy (the AGO corruption czar and natural bureaucratic rival of Antasari's and the KPK's) told DOJ/RLA that the AGO suspected that other members of the KPK could be involved in the scandal. Indonesian Corruption Watch has been especially critical of Azhar for purportedly shying away from several high-profile cases. (Note: The KPK, in general is well regarded and has successfully prosecuted eight current and former parliament members, for example.)

TRYING TO MAINTAIN ANTI-CORRUPTION MOMENTUM

¶5. (SBU) From the policy perspective, the most important priority is that the personal scandal surrounding Azhar not hurt Indonesia's anti-corruption momentum. Activists are pressing that point. On May 4, members of Transparency International Indonesia (TII), Indonesia Corruption Watch (ICW), the National Consortium for Legal Reform, and the Indonesian Budget Center visited the KPK offices in a show of support for the KPK's anti-corruption efforts. TII's Teten Masduki and ICW's Adnan Topan Husodo were publicly optimistic about the future of the KPK despite the unfolding scandal and urged that the four commissioners be even more aggressive in pursuing high-profile corruption cases.

¶6. (SBU) Despite the scandal surrounding Azhar, KPK investigators have demonstrated their commitment to pursuing corruption cases. On May 2, after discussing the allegations

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against Azhar, the four other KPK commissioners decided to suspend Azhar so that the ongoing corruption cases could continue. The four commissioners will rotate into the top position on a weekly basis in sharing the chief position and to ensure continuity in corruption cases. On May 5, the KPK announced a new \$7.7 million embezzlement case involving a state-owned electricity company.

¶7. (C) In the public eye, Antasari Azhar has been declared guilty and legislators are only waiting for a letter from President Yudhoyono dismissing the KPK chief before beginning the selection process for his replacement. The dismissal letter from President Yudhoyono is expected on May 7. (Note: The legislation related to the KPK's formation stipulates that the President must temporarily discharge any member of the commission declared a suspect in a criminal case.)

HUME